

**DESOTO HIGH SCHOOL ALUMNI ASSOCIATION**  
Mansfield, Louisiana

**FINANCIAL REPORT**  
(Compiled)

**DECEMBER 31, 2013**

DeSoto High School Alumni Association  
Financial Report  
December 31, 2013

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# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
of the DeSoto High School Alumni Association

We have compiled the accompanying statement of financial position of the DeSoto High School Alumni Association (a nonprofit organization) as of December 31, 2013, and the related statements of activities and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

*Johnson, Thomas & Cunningham*

Johnson, Thomas & Cunningham, CPA's

February 13, 2014  
Natchitoches, Louisiana

## FINANCIAL STATEMENTS

DeSoto High School Alumni Association  
Statement of Financial Position  
Year Ended December 31, 2013

ASSETS:

Current Assets:

Cash & Cash Equivalents	\$ 37,980
Prepaid Expenses	<u>789</u>
Total Current Assets	\$ 38,769

Non-current Assets:

Capital Assets:

Furniture & Equipment	40,674
Leasehold Improvements	33,472
Less: Accumulated Depreciation	<u>(62,565)</u>

Capital Assets, net	11,581
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Other Assets:

Deposits	<u>975</u>
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Total Assets	\$ <u>51,325</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	\$ <u>1,084</u>
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NET ASSETS:

Unrestricted	\$ <u>50,241</u>
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Total Liabilities and Net Assets	\$ <u>51,325</u>
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See accompanying notes and independent accountant's compilation report.

DeSoto High School Alumni Association  
Statement of Activities  
Year Ended December 31, 2013

	<u>Unrestricted</u>
REVENUES:	
Memberships	\$ 2,400
Rent of Facilities	6,800
Contributions	33,368
Projects and Events	5,625
Grants	21,300
Interest	541
Miscellaneous	13,782
Total Revenues	<u>\$ 83,816</u>
EXPENSES:	
Program Expenses:	
Summer Recreation Program	18,120
Administration and General	44,916
Total Expenses	<u>\$ 63,036</u>
Increase (Decrease) in Net Assets	\$ 20,780
Net Assets- Beginning of Year	<u>29,461</u>
Net Assets- End of Year	<u>\$ 50,241</u>

See accompanying notes and independent accountant's compilation report.

DeSoto High School Alumni Association  
Statement of Cash Flows  
Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in Net Assets	\$ 20,780
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by (Used by) Operating Activities:	
Depreciation	3,595
Increase (Decrease) in Accounts Payable	<u>(183)</u>
Net Cash Provided by (Used by) Operating Activities	\$ <u>24,192</u>
Net Increase (Decrease) in Cash	\$ 24,192
Cash at Beginning of Year	<u>13,788</u>
Cash at End of Year	\$ <u>37,980</u>
Total Interest Paid	\$ <u><u>0</u></u>

See accompanying notes and independent accountant's compilation report.

## NOTES TO FINANCIAL STATEMENTS



DeSoto High School Alumni Association  
Notes to Financial Statements  
December 31, 2013

Introduction:

The DeSoto High School Alumni Association (the Association) is a nonprofit corporation organized on July 25, 1994 under the provisions of Louisiana Revised Statute (La. R.S.) 1950, Title 12, Chapter 2, as amended.

All residents of DeSoto Parish and particularly graduates of DeSoto Parish Training School and DeSoto High School are entitled to membership in the Association. The purpose of the Association is to provide quality and innovative educational, recreational, and inspirational programs that further the common good and general welfare of the community and to bring about civic betterments and social improvements. The Association encourages programs designed to improve living conditions in DeSoto Parish. It is an advocate for the advancement of early education and for the stimulation and motivation of young people in shaping behavior for positive growth.

The Association is governed by a board of directors which shall consist of no less than seven and no more than nineteen members of the Association and a board of trustees consisting of no less than five nor more than fifteen members of the Association elected by the full membership at annual meetings. Members of the board of directors and board of trustees are elected to staggered three year terms.

The Association operates the DeSoto Multi Cultural Community Center. Its support comes primarily from membership dues, individual donor's contributions, and government grants.

Note 1. Significant Accounting Policies:

The accounting and reporting policies of DeSoto High School Alumni Association conform to generally accepted accounting principles as applicable to non-profit organizations and are applied on a consistent basis between periods.

The following is a summary of certain significant accounting policies and practices:

- A. Financial Statement Presentation - The Association has adopted FASB Accounting Standard Codification 958-205 "Not-for-Profit Organizations." Under FASB ASC 958-205, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows. As of December 31, 2013, the Association had no temporarily or permanently restricted net assets.
- B. Basis of Accounting - The Association uses the accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized when they are incurred.

DeSoto High School Alumni Association  
Notes to Financial Statements  
December 31, 2013

- C. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
  
- D. Fixed Assets - Depreciation on all exhaustible fixed assets is charged as an expense against the operations of the Association. It is the Association's policy to capitalize expenditures for items with cost in excess of \$800. Assets are recorded at cost if purchased or at market value at time of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to fifteen years. Depreciation expense for the current year is \$3,595. Accumulated depreciation was \$62,565 at December 31, 2013.
  
- E. Compensated Absences- Full-time employees of the Association earn from five to twenty-five days of vacation leave each year, depending on the length of service. Employees are not allowed to carry forward earned vacation and forfeit without pay leave not taken during the calendar year. Full-time employees also earn two personal days each year. Personal days not used in any calendar year are forfeited without pay. Payment in lieu of time off is prohibited.  
  
Sick leave is provided to full-time employees at the rate of one-half day per month and may be accumulated to a maximum of ten days. Sick leave does not vest with the employee.
  
- F. Public Support and Revenue- The Association has adopted FASB ASC 958-605, "Not-For-Profit Entities – Revenue Recognition." Membership fees and unconditional promises to give are recorded as unrestricted support as received. Grants and other contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
  
- G. Income Taxes - The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements. The Association's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2010, 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.
  
- H. Long-Term Liabilities- The DeSoto High School Alumni Association had no long-term debt as of December 31, 2013.
  
- I. Cash and Equivalents - For the purpose of the statements of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

DeSoto High School Alumni Association  
Notes to Financial Statements  
December 31, 2013

Note 2. Cash and Cash Equivalents:

At December 31, 2013, cash and cash equivalents totaled \$37,980. All of the cash balances at December 31, 2013 were secured by FDIC Insurance.

Note 3. Fixed Assets:

The following is a summary of changes in fixed assets for the Association for the year ended December 31, 2013:

	Beginning Balance	Additions	Deletions	Ending Balance
Fixed Assets, Depreciated				
Furniture and Equipment	\$ 44,774	\$ -	\$ -	\$ 44,774
Leasehold Improvements	29,372			29,372
Total Fixed Assets	74,146	-	-	74,146
Less: Accumulated Depreciation	58,970	3,595		62,565
Total Fixed Assets, Net	<u>\$ 15,176</u>	<u>\$ (3,595)</u>	<u>\$ -</u>	<u>\$ 11,581</u>

Depreciation expense totaled \$3,595 for the year ended December 31, 2013.

Note 4. Compensation Paid to Board Members:

The Board of Directors is a voluntary board; therefore, no compensation is paid to any member.

Note 5. Donated Services:

The Association receives a significant amount of donated services from unpaid volunteers who assist in fund-raising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-605-50 have not been satisfied.

Note 6. Cooperative Endeavor Agreement:

On September 6, 2006, the DeSoto High School Alumni Association entered into a cooperative endeavor agreement pursuant to the provisions of Section 14(C) of Article VII of the Louisiana Constitution of 1974 with the DeSoto Parish School Board. Under the terms of the agreement, the DeSoto Parish School Board agreed to transfer and deliver the former DeSoto Junior High School buildings and site located at 1216 Old Jefferson Highway, Mansfield, Louisiana to the Association.

The Association assumed full control and use of the DeSoto Junior High School buildings and site and is solely responsible for the costs and expense to operate and maintain the property and is required to carry specified insurance coverage.

DeSoto High School Alumni Association  
Notes to Financial Statements  
December 31, 2013

Note 6. Cooperative Endeavor Agreement (Continued):

The Association agreed to assist the School Board, at its sole cost and expense, to provide various programs including but not limited to: after-school study hall, remediation courses for elementary and secondary school students, summer school courses for students, tutoring for elementary and secondary school students, physical education such as softball and basketball and counseling programs such as drug education.

In the event that the Association fails to provide education programs as set forth in the agreement, fails to adequately maintain the property, or fails to obtain and maintain the required insurance coverage, the property and all of its buildings, appurtenances, and accessories revert back to the full control and use of the DeSoto Parish School Board.

The Association has the right to terminate the agreement at any time by giving the School Board thirty days written notice of its intent to terminate the agreement.

Note 7. Related Party Transactions:

No procedures were performed to search for related party transactions.

Note 8. Contingencies, Risks and Uncertainties:

The Association is exposed to various risks of loss related to torts; theft of and damage to assets; errors and omissions; injuries to employees; and natural disasters. The Association carries commercial insurance for all risks of loss, including workers' compensation. No procedures were performed to search for pending litigation involving the Association.

Note 9. Subsequent Events:

No procedures were performed to search for subsequent events.